

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

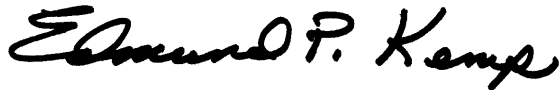
NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division
Bureau of Medicaid Policy and Actuarial Services

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| Project Number: | 0740-MS | Comments Due: | January 26, 2008 | Proposed Effective Date: | March 1, 2008 |
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Policy Subject: Elimination of Dispensing Fees for Medical Supplies Covered Under Pharmacy Benefit

Affected Programs: Medicaid, Maternity Outpatient Medical Services (MOMS), Children's Special Health Care Services (CSHCS), Adult Benefits Waiver, and Plan First!

Distribution: Pharmacy

Policy Summary: The MDCH PBM will no longer reimburse a dispensing fee for a supply item (e.g. syringe) that is covered under the pharmacy benefit.

Proposed Policy Draft

Michigan Department of Community Health
Medical Services Administration

Distribution: Pharmacy

Issued: February 1, 2008 (Proposed)

Subject: Elimination of Dispensing Fees for Medical Supplies

Effective: March 1, 2008 (Proposed)

Programs Affected: Medicaid, Maternity Outpatient Medical Services (MOMS), Adult Benefits Waiver, Children's Special Health Care Services, and Plan First!

The purpose of this bulletin is to inform pharmacy providers of the change in reimbursement for medical supplies covered under the pharmacy benefit.

Effective March 1, 2008, the Michigan Department of Community Health (MDCH) will no longer reimburse a dispensing fee for a medical supply covered under the pharmacy benefit. While it is preferred that a supply is billed under the medical supply benefit, the MDCH will allow certain supplies to be billed under the pharmacy benefit without reimbursing a dispensing fee. This exception allows the beneficiary to continue to obtain those supplies at the pharmacy and assist in the coordination of benefits with other insurers.

The following are examples of items that will continue to be covered under the pharmacy benefit, but without a dispensing fee being reimbursed:

- Diaphragms
- Cervical Caps
- Disposable Needles
- Inhalers, Assist Devices
- Peak Flow Meters
- Alcohol Swabs
- Syringes
- Aerochambers
- Spacers